<u>REMARKS</u>

Reconsideration and withdrawal of the rejection with respect to all of the claims now in the application (i.e., Claims 1-14, 16-19, 21, 23-24 and 27-30) is respectfully requested in view of the foregoing amendments and the following remarks.

Initially, Applicant has amended the claims to put them into more proper U.S. format and to highlight the novel features of the invention, as discussed more fully below. Applicant has also amended the claims to remove the alternative language of rewards, credits, cash, prizes, benefits, etc. to simply collectively refer to them all as "rewards."

In regard to the §102(b) rejection of independent Claims 1 and 17 as anticipated by US Patent Number 5,794,210 to Goldhaber et al. (hereinafter "Goldhaber"), Applicant has amended Claims 1 and 17 to indicate that the process enables time based viewing of random <u>non-targeted</u> advertising and that the consumer receives said advertising by responding to a random <u>non-targeted</u> invitation. Goldhaber does not disclose or suggest random non-targeted advertising, as required by Claims 1 and 17, as amended. Instead, Goldhaber is the <u>opposite of random non-targeted advertising</u> and is designed to "explicitly target their audience" (See, Abstract). Particularly, Goldhaber is aimed to <u>target</u> a relatively small percentage of people whose profile matches the <u>targeted market</u> and is known in advance and who have indicated that

they might actually want to use the product or service advertised (See, Abstract and Col. 3, line 41 - col. 7, lines 19-41).

Particularly, Goldhaber addresses the problem where advertising goes largely misdirected such as to the wrong or an inappropriate target group, by setting up a network in which a broker is linked to a <u>specific</u> group of users (col. 2, lines 50-65 and col. 4, line 32 - col. 5, line 5). The system is ultimately designed for consumer purchasing after the purchaser views the providers products (col. 5, line 25 - col. 7, line 19).

More specifically, Goldhaber recognizes that ads in the mass media can <u>target information directly to the individual consumer</u>. Goldhaber teaches a specific approach to <u>targeted</u> advertising, in which an advertiser and consumer are brought into a mutual alliance. The approach provided by the Goldhaber invention is based on gaining the attention of a consumer, stimulating interest of the consumer in the advertisement, sponsoring the <u>target</u> consumer and providing the consumer with a paid incentive to watch the advertising or purchase the product. Thus, Goldhaber <u>targets</u> the ads to the specific consumer's needs, interests, and preferences and it is critical in Goldhaber to <u>target</u> particular individuals.

Thus, Goldhaber does not disclose "time based viewing of random non-targeted advertising" nor that the consumer or participant receives said advertising material by <u>responding to a random non-targeted invitation</u> to the consumer from the host or advertising provider as required by Claims 1 and 17.

Furthermore, Claims 1 and 17 require that the participant views the advertising "without software being downloaded." Applicant's invention <u>does not require customized or indeed any downloaded software installed into the consumer station</u> for the purpose of viewing the advertising. Instead, the consumer receives the advertising material by responding to a <u>random invitation</u> from the host, which appears at the consumer station without having to download software. The consumer elects to view advertising from the advertising provider via the host, receives a reward, credits or benefits commensurate with the length of <u>time</u> advertising is viewed.

The feature in Applicant's claims of not having to download software is <u>not optional</u> but essential to the working of the Applicant's invention, as not having to download software contributes to the working of the invention in that it reduces consumer time spent and simplifies the process, and is not disclosed or suggested in Goldhaber.

Unlike Applicant's system which operates without having to download software, Goldhaber <u>requires consumer software downloading</u> and the consumers in Goldhaber request advertising information on a particular product which is a specific <u>targeted</u> interaction with the advertising provider. Particularly, Goldhaber provides for workstations capable of running customized software customized for the purpose provided by the Goldhaber invention. (col 9, lines 49 - 51). Thus, it is respectfully submitted that Goldhaber does not disclose or suggest all of the features set forth in Claims 1 and 17, as amended.

In regard to the §103 rejection of Claims 2-16, 18-21 and 23-30 in light of Goldhaber in view of United States Patent 6,928,615 to Haitsuka, at al., it is submitted that Goldhaber and Haitsuka both related to targeted consumers or clients and both aim to more accurately target those consumers who are likely to purchase particular advertised products, and, therefore, do not disclose or suggest the features of the claims, as now amended (See, Haitsuka, col. 3, lines 29-50).

Particularly, in regard dependent Claims 2-16 which are dependent upon Claim 1 and dependent Claims 18-19 which are dependent on Claim 17, the features of these dependent claims taken in combination with the features of the amended independent Claims 1 and 17 are not obvious to one having ordinary skill in the art, for the reasons discussed above. In regard to the remaining Claims 21 and 23-24 and 27-30, it would not be obvious to one of ordinary skill in the art to combine Goldhaber with Haitsuka.

Goldhaber does not disclose or suggest the combinations set out in the revised claims which include the elements of randomness and the time based nature of the Applicant's view for reward process. Furthermore, Haitsuka fails to correct the basic and crucial deficiencies noted above in Goldhaber as both Goldhaber and Haitsuka relate to targeting consumers and neither include a predetermined idleness criteria such that in the event the consumer station fails to respond to the random invitation within a predetermined period, the invitation will cancel itself and reappear at a later time at the consumer station.

For typical online systems and networks, including the Web, it is often difficult for an advertiser to precisely determine whether its advertisements were actually viewed by a user and for how long, and whether the advertisement induced a response. Haitsuka as with Goldhaber is a targeted advertisement system that also can provide information as to the characteristics of those who were exposed to each advertisement, for how long the user was exposed, and at what times. That is a fundamental difference between the cited art and the applicant's invention in which a consumer not being part of any focus or target group is provided with random advertising.

The Applicant's invention as discussed above does not specifically target the advertisement to a particular viewer, has random advertisement displays, and in combination a random invitation to view the advertising. A time based reward is obtained by the viewer in return for viewing the random advertising.

Furthermore, in the Applicant's invention, the user is not required to download viewing software and may view advertising while browsing without interruption to browsing (apart from elected viewing of advertising presented to the viewing site). As discussed above Goldhaber requires the user to download software.

Similarly, Haitsuka also teaches downloading software. Particularly, Haitsuka teaches that its process permits browsing by the user and displaying of advertisements by the client application without interfering with the user's use of the browser application (col.12 lines 19-20). Haitsuka also recognizes that a user of an online

service typically accesses the service using <u>specialized communication software</u> (i.e., client application or client software) that establishes and manages a connection from the user's computer (or client) to the online service provider's host computers (or servers) and facilitates the user's interactions with the service.

In addition, Haitsuka teaches that in managing a connection, there is <u>provided software</u> to display pages or screens relating to retrieved content according to views or presentations specific to the online service. This software may be integrated with the user application. Interactions between the user's computer and the online service are facilitated by a variety of software protocols (i.e., communication conventions, rules and structures), including application level protocols, for managing the transfer of data across the network and to the client application on the user's computer.

Particularly, <u>Goldhaber is directed to a different objective from that of Applicant's invention and as discussed above is the opposite to random advertising</u>. Furthermore, Haitsuka also recognizes that advertisers find it desirable to <u>target</u> advertisements to relevant potential customers along the lines of Goldhaber.

In addition, it is, <u>critical that Goldhaber knows who is being targeted</u>, this is achieved by profiling the consumer through in-depth questioning. Goldhaber allows advertisers to compete for the attention of a particular consumer or identified group of consumers, thereby maximizing efficiency and creating value. Goldhaber permits the design of ads that are virtually <u>custom-fitted</u> to consumer preferences. This ability to <u>finely target</u> (and customize) ads based on the interests of particular individual

consumers maximizes efficiency and benefits both the advertisers and the consumers. Goldhaber is advertiser focused and is designed primarily for the <u>benefit of the advertiser</u>, whereas the Applicant's invention is largely <u>random</u> participant or consumer focused and is entirely designed for the <u>benefit of the consumer</u>.

In Goldhaber there is an element of interactivity designed into the ads provided, that requires the consumer to provide a response or otherwise interact with the ad (thus allowing the service provider to assure the advertiser that the consumer did indeed watch and pay attention). To do so, Goldhaber provides a link between the ad and the appropriate viewer with reference to a database of digitally stored electronic demographic profiles of potential viewers. The demographic profiles can be constructed through interest questionnaires that the consumer completes when subscribing to the service, and also through electronic tracking of his/her usage of the service (and other habits). However, in the Applicant's process the advertiser will not necessarily know whether the participant viewer actually views the advertisements but someone whether the host or advertiser is likely to know when the participant is not viewing ads by failure to click on the icon invitation.

Advertising content is secondary in the Applicant's process whereas in Goldhaber content is the primary focus. In Goldhaber, for example, when selecting ads for viewing, the consumer is given the chance to express a preference for certain kinds of ad content. For example, for a movie commercial, one consumer might request a film clip while another asks for a plot summary. Goldhaber uses "demographic

routing," by which an information package or its agent (or an agent for any goods or service) can be routed directly to interested and willing buyers. This is described in Goldhaber as an addressing mechanism that can be used to route the information to more than one individual, e.g., to all users who are demographically suitable. - i.e. fit a particular profile.

Thus, as described more fully above, Goldhaber is directed to a targeted, specific demographic of consumer advertising which is directed to a select identified group of consumers whose profiles are known by the advertiser as being from a particular demographic of consumers. The sophisticated system disclosed in Goldhaber requires a network which routs digital information between plural computers. The plural computers are connected to a digital computer network, forming a specific network of user computers, each plural computer having at least one user. The network includes at least one attention broker, at least one computer associated with at least one provider of negatively priced information, and at least one computer associated with at least one provider of positively priced information. This is a sophisticated system of linked computers in which the users are from a targeted group, so that any pair of the personal computers and information provider computers may communicate without the communication passing through any of the other personal and information provider computers.

In contrast in the Applicant's invention, there is no linked network in the sense that the Goldhaber participants are known by the host or that the participants are part

of some target group for an advertiser. In the Applicant's system the classes of users are anonymous and random in that no group is targeted as in Goldhaber.

Furthermore, unlike the Applicant's process, in Goldhaber, the provider is ultimately rewarded, rather than the participant user or consumer in Applicant's invention, as in Goldhaber the negatively priced advertising is a 'gift' contingent upon the receiver viewing a targeted ad. Additionally in Goldhaber, users are supplied with specific consumer information on pricing of products such that the provider of negatively priced information sponsors user purchases of positively priced information. The user is compensated for accepting the negatively priced information following which the user is provided with a choice of positively priced information on a purchase by operating a user input device ultimately benefitting the provider. The target consumer in Goldhaber is intended as a potential or actual purchaser of the provider's goods or services. Thus, Goldhaber pays consumers for their attention but they are consumers who have been specifically targeted with a product post-profiling, where the advertiser pays the consumer direct for their time and attention to specific advertisements.

In contrast to Goldhaber, Applicant's process is in the context of mass media random non-targeted advertising. It does not specifically require an advertiser to reward viewing of a particular advertisement but it is directed to a time based random reward and benefit system for an anonymous participant viewing randomly distributed advertising. In fact, this is the type of random 'scatter gun' advertising that Goldhaber

<u>specifically seeks to avoid</u>.

Furthermore, Goldhaber is directed to advertising content whereas the Applicant's invention has no relation to advertising content, rather to the capacity of the participant to gain a reward or benefit for viewing advertising in an entirely random, <u>time based</u> and non-targeted fashion and <u>without having to download specific software for the purpose</u>.

In the Applicant's process, rather than providing a means for a consumer to select specific advertising, the consumer can opt in for reward and opt out for no reward once the consumer receives an invitation to view advertising. The Applicant's process is directed to random unsolicited, <u>time based</u> advertising but allowing a participant to view such advertising for reward, benefit, credit, cash, prizes or the like. The reward or benefit has wide scope and includes the ability of the consumer to continue to view information once viewing of the advertisement is completed. There is <u>no routing of ads</u>, <u>no targeting</u> of specific consumers. Also, rewards are not advertiser based in that the reward can come from a third party provider or host/facilitator.

As discussed above, Applicant's system is entirely <u>random, non-targeted</u> and with <u>a reward not based on any brokering or targeting of a particular group</u>. The system according to the invention does not use digitally stored demographic profiles. Instead in Goldhaber the advertisers actually bid for the attentions of the consumers to enable establishment of these profiles. This feature does not form any part of the

applicant's invention. It is submitted that column 10 lines 44-48 in Goldhaber does not disclose an invitation to a consumer in the sense and context of the applicant's invention. The nearest to that is a price tag.

Haitsuka acknowledges that some online service providers have derived revenue by displaying advertisements for third parties to users. For example, when a user accesses a web page, an advertisement may be displayed to the user as part of the web page. Advertisements may also be shown to users of some proprietary online services. Typically in such systems, each user accessing a certain screen or site is shown the same advertisement and it is known that systems have the capability to change the advertisement after a certain period of time.

In the Haitsuka system, there is no disclosure of whether the transmission of advertisements from the online service provider to the client application is initiated by the online service provider or the client application, how the online service determines which advertisements to send to the users, and whether such typical client applications do anything more than open the communications link with the online service and display advertisements.

Haitsuka provides a client application for enabling access to an online service and displaying advertisements while the user has access to the online service. However unlike the Applicant's process, the Haitsuka system provides the 'client' with play lists from the online service provider. The play lists include information about advertisements to be played and the order of play. The client application also receives

match lists from the online service provider. The match lists include information about advertisements to be played when the user performs certain actions. Haitsuka provides the user with the ability to cycle back through previously displayed advertisements, and to cycle forward. Consequently, offsetting costs against advertisement viewing time in combination with the remaining features of Claim 1 is not taught in Goldhaber and Haitsuka alone or in combination.
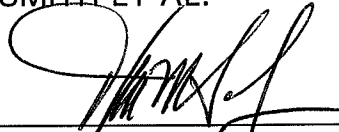
Accordingly, it is respectfully submitted that it would not be obvious to one of ordinary skill in the art to combine Goldhaber and Haitsuka to arrive at the claims of the present invention as now amended.

Finally, Applicant hereby requests a five (5)month extension of time in which to respond to the outstanding Office Action. Credit Card payment in the amount of $1,175.00 is submitted electronically to cover the official fee . Any fee deficiency or overpayment may be charged or credited to Deposit Account No. 50-3990.

In view of the foregoing, it is respectfully submitted that the present invention as now set forth in Claims 1-14, 16-19, 21, 23-24, and 27-30 is patentable over the cited art and, therefore, allowance of the aforesaid claims at an early date is earnestly solicited.

Respectfully submitted,

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